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SPEECH

OF

HON. ROBERT TOOMBS, OF GEORGIA,

ON THE

REVENUE AND EXPENDITURES.

DELIVERED IN THE SENATE OF THE UNITED STATES, FEBRUARY 9, 1859.

The Senate having resumed the consideration of the following resolution offered by Mr. BIGLER, of Pennsylvania:

Resolved, As the opinion of the Senate, that the creation of a large public debt in time of peace is inconsistent with the true policy of the United States; and as the present revenues are insufficient to meet the unavoidable expenses of the Government, Congress should proceed, without delay, to so readjust the revenue laws as not only to meet the deficit in the current expenses, but to pay off the present debt so far as it may be liable to immediate cancellation.

Mr. TOOMBS, said:

Mr. PRESIDENT: The resolution just read at your table seemingly asserts a truism, but it does not. It uses convenient generalities to conceal, not to express a political truth. Large and small are relative terms—one hundred thousand dollars is a large sum when applied to the obligations of ordinary men; it is a very small one when applied to those of this Government. An individual is not considered largely in debt when his contracts are below two-thirds of his annual income. The debt created during the last year for the support of Government does not exceed that proportion of our income. If the Senator from Pennsylvania, (Mr. BIGLER,) means only to say that the ordinary expenses of Government should be supplied by its ordinary revenue, the proposition receives my assent, but the converse of the proposition is equally true, that extraordinary expenses, or even ordinary expenses, which, from transient causes, cannot be conveniently met by the ordinary revenue, fall without the rule. It is not wise to change a revenue system to meet casual or temporary deficiencies in the Treasury. This position is not only true, but of great public importance when the public revenue rests on taxes, on consumption. Our taxes are mainly levied by duties on commodities imported from abroad, which are imposed according to their value at the place from whence they are imported. Therefore, every thing that affects the price of the taxed commodities in the countries from where we draw them, and whatever affects the amount of consumption by our own people necessarily increases or diminishes our revenue. Therefore, if we adhered strictly to the rule that annual expenditure should be met by annual taxes in all cases, we might have to remodel our tariff as often as we pass appropriation bills. This rule would be especially obnoxious to the protectionists who all clamour against changes, and demand permanency in tariffs.

The second branch of the resolution under consideration, contains the gist of the whole controversy, which it was the duty of the Senator to establish, before he could, rightfully, on his own principles, call upon the legislature to impose new burdens on the people. He has wisely omitted the attempt, and was content to assume that it was self-evident and incontrovertible. He assumes "that the present revenues are insufficient to meet the unavoidable expenses of the Government;" and that, therefore, "Congress should proceed without delay, to so adjust the revenue laws as not only to meet the deficit in the current expenses, but to pay off the present debt so far as it may be liable to immediate cancellation." I deny both his premises and conclusions. The Senator does not say that the present revenues are insufficient to meet the necessary or proper or economical expenses of the Government, but that they will meet the *unavoidable* expenses. I waive any verbal criticism on the term "*unavoidable*," and assume that he means necessary and proper expenses of the Government, and proceed to show that the present tariff is ade-

quite, with the other sources of public revenue, to meet all just, necessary, or proper public expenditures, and is fully adequate to the extinguishment of the existing public debt, as soon as the public interest or convenience require its payment.

The Executive Government asks for seventy-three millions of dollars for the service of the next fiscal year. I consider such an expenditure neither wise, necessary, proper, or "unavoidable;" but if it should be so held by the Senate, I shall show that the income of the Government will meet it, if properly husbanded and applied to the public service, without a farther increase of the public debt.

The objects of public expenditure are plainly set forth in the Constitution. I will supply all the necessary and proper means for securing these objects; these are safe landmarks, and within them I would liberally promote the utmost efficiency of every branch of the public service. We are not driven to economy from necessity; but we should practice it on principle. It will preserve the purity of the Government, which is certainly equal in importance to the money of the people.

On these principles is the expenditure of seventy-three millions of dollars during the next fiscal year necessary and proper for the public service. I think not. Let us test it first by the experience of the past, and then subject it to the scrutiny of the lights of the present. According to the financial report of Mr. Guthrie for the years 1855-'6, page 12, "the average expenditures of the (then) last five years, excluding the public debt and the \$10,000,000 paid under the treaty with Mexico, but little exceeded \$48,000,000;" and from these data he recommends the reduction of the duties on imports to \$50,000,000 per annum. It further appears from the same report, that the average of the duties on imports for these five years (leaving out fractions) was but fifty-five millions of dollars; yet on that revenue from customs forty-five millions of the public debt were paid in less than three years. (See Guthrie's report, pages 7 and 8.) And besides these payments, and very extravagant appropriations for the next years 1857-'8, there was a balance in the Treasury of about \$17,000,000 on the 30th June, 1857. Thus it appears, that with an average annual income from customs of less than the estimates from the same source for the next year, (\$56,000,000,) for six years preceeding the monetary convulsion of 1857-'8, the Government not only supported itself under an expenditure up to that time wholly unknown in our annals in time of peace, but discharged above \$45,000,000 of the public debt, and brought a surplus into that year of over \$17,000,000.

Now, sir, what is there in the present condition of the country that requires a larger expenditure than these five years? They were not years of economy. The expenses during these six years were many millions beyond any that went before them, except during a foreign war. We are frequently told that the country has expanded, the population has increased, that money has diminished in value. The first answer is untrue in fact, and the last two wholly inadequate and unsatisfactory excuses for this profligate expenditure. We have not obtained an acre of territory since the treaty of Hidalgo Gaudalupe, in 1848, except a small slip, called Arazonia, which was paid for under the last Administration. Then we have no more country, no more Indians, than we had five years ago; besides these acquisitions, are none easier defended from the fact that our population has rapidly increased in California, Washington, and Oregon, on the Pacific coast, making their defence less expensive, and emigration has pressed inroads towards the Rocky Mountains, on this side, increasing in power and strength, and lessening the transportation of the necessary supplies of our troops.

The excuse of increase of population is equally untenable. This brings strength and not weakness. We have no troops now, or if any, very few on this side of the Mississippi; and there the great increase of population has occurred. But this increase of population, if allowed to be a just element in the increase of expenses, is but about three per cent. per annum, and, therefore, would amount to but eighteen per cent. in the last six years. An amount far below the proposed increase of expenses. And, besides increased population brings increased production and increased consumption, and, therefore, increased revenues under the same tariff. The argument of the increased value of money is a still more barren pretext. By what rule do these apologists for profligate public expenditures estimate the increase of the value of money within the last six years? If you measure it by the price of a bushel of wheat, the most approved standard among political economists, it will show a decline rather than a rise in value. The price of a bushel of wheat being now much below the average of the last six years. Do they measure it by the value of a day's labor even paid in money? The Senator from Pennsylvania, and those who act with him, represent labor as distressingly low, and call for protection for our labor against that of other countries. These two arguments cannot stand together. It is not the duty, neither is it in the power of Congress, to regulate the wages of labor except as to those who are employed in the public service; and the true basis for the payment of that labor is, to pay these employees the same wages which rule in the labor market of the country for the same service and qualifications. The de-

parture from this salutary rule has been the main cause of the great extravagance in the Government, the extraordinary remuneration for every species of public service having produced an alarming pressure for governmental employment. None of these reasons can stand the test of an examination.

In 1857, Congress seeing that large exactions were made from the pockets of the people, more than were necessary for the wants of the Government, passed the present tariff law, with the avowed intention to reduce the revenue from customs to fifty millions of dollars. The then Executive Government recommended the reduction to that extent, and the present tariff was enacted by a more general assent of all interests, and all sections, and parties, in this country, than any such act has received for more than forty years. The House of Representatives was largely in opposition, and passed it by a vote of nearly two-thirds; the Senate were largely administration, and the measure received every vote in this body, I think, but eight. It owned no party, no sectional feeling—the Senators from Massachusetts and Carolina, long separated on revenue questions, united on it. It was not expected, until increased production increased our exports, to bring above fifty millions of dollars. The Senate passed it with this understanding. The House passed it with this understanding. The country accepted it with that understanding. The Executive Government informed us that forty-eight millions from customs was all sufficient for the legitimate wants of the Government. What new necessity for enlarged expenses has the Senator from Pennsylvania presented us? None. Our powers are the same, our duties are the same; we have profound peace; even Indian and Mormon wars, wars so fatal to the Treasury, and to the Treasury only, have ceased. The Senator from Pennsylvania, in his elaborate speech of one hour and a half, failed to bring to our attention a single reason or suggestion why the expenses of 1860 should exceed the average of the last five years preceding 1855-'6. He assumed that we could not escape, he neither invented nor discovered a single reason for it but one. That one was, that additional taxes were necessary to the State of Pennsylvania. He represented her industry as prostrate, and demanding relief. He demands, in her behalf, increased taxation to revive her industrial prostration. The statement of the case shows, that there is more in it than meets the eye. He knows that increased duties on imports taxes somebody—he believes it does not tax Pennsylvania—or if it does, that she will receive incidental advantages from this taxation more than commensurate with her part of the burden. The revenue of the first year of the present tariff did not equal the expectation of its friends. It fell short above eight millions. The reasons were very apparent. An extraordinary monetary revulsion reduced your imports above \$78,000,000. I shall not now stop to inquire into the causes of this revulsion. We simply in this connection have use for it as a fact. The tariff of 1857 did not produce or aggravate it in any degree. The causes, whatever they may have been, lay behind that act. For the present year the Secretary of the Treasury estimates our receipts from customs at \$50,000,000. We have passed through more than seven months of the fiscal year, and thus far his calculations are more than verified. He estimates the receipts for the next year at fifty-six millions, six millions more than we supposed this tariff would bring when we enacted it. As I am called upon to supply deficiencies of Government, I shall assume the estimates of receipts to be correct. Why, then, shall we retrace our steps in relation to income. It is admitted that we shall get more than we expected, under the present act. It can be for no other reason than that we are prepared to part with our constitutional control over expenditures, and turn that branch of the public service over to the Executive Departments. I am not prepared for this surrender of my constitutional duties. I will surrender them to none but those who conferred them upon me. I believe now as I did when I voted for the act of 1857—that \$50,000,000 are more than sufficient to meet the just and proper wants of the Government in time of peace—and I intend to stand by it to the end.

The expenditures for the next fiscal year, ending the 30th June, 1860, are estimated at \$73,139,147 46, the receipts at \$69,063,298 57, leaving a balance of \$4,075,848 89-100, exclusive of a deficiency in the Post Office Department for this year of \$3,838,728. But of these expenses, estimated for the service of the next fiscal year, the Post Office Department besides this sum have been allowed the sum of \$6,382,900; and including this sum, we are called to charge the revenue of the next fiscal year with \$10,221,628 for the deficiency of our postal service. I do not intend to vote for it. I wish to bring the Post Office Department back to its simple and useful business of carrying letters and newspapers, instead of carrying "progress and civilization." The settled policy of the Government for above fifty years was, to make the Post Office Department support itself. I will not sustain so monstrous an abuse of the principles of true policy and just government as are practiced in our postal system. I wash my hands of the whole of it, and before I get through I shall have occasion to comment on the postal statistics presented by the Senator from Pennsylvania, and to show the value of figures, gotten up not to vindicate truth, but to sustain a point. For the last year the Post Office Department has

absorbed nearly one-fourth of the nett revenues from customs, and, at the same rate of increase, will absorb the other three-fourths within the next ten years. I do not think this expense "unavoidable."

The Secretary of the Treasury estimates that there will be a deficiency in the next year, including the Post Office deficiency, of more than seven millions of dollars. But in order to attain that result, he assumes that there will be no outstanding unexpected balance of appropriation on the 30th of June, 1860. I do not concur with him in this opinion. I think it erroneous. I find, upon examination of the outstanding appropriations for each year from 1791 to 1856, inclusive, that there has been such a balance every year, as large as \$1,784,000, in 1791, and averaging above \$25,000,000 per annum for the five years ending with 1856. The Secretary gives us no reasons for believing that this uniform result for more than seventy years will not happen in 1860. Indeed, it is next to an impossibility that it should not happen. Continuing appropriations are not carried to the surplus fund, and, therefore, may remain outstanding for an indefinite period. There are a great variety of such in all of the appropriation acts, and one may safely calculate upon such outstanding balances equal to the present estimated deficiency. We have now large outstanding appropriations for custom houses, post offices, fortifications, unascertained claims, and various other similar items, which cannot but be expended during the next fiscal year, without an activity of expenditure inconsistent with the present state of our finances. These balances may be greater or less, at the pleasure of the Government.

Mr. SIMMONS. Do I understand the Senator to be commenting on the remarks of the Senator from Pennsylvania, or the report of the Secretary of the Treasury.

Mr. TOOMBS. I am commenting on the report of the Secretary of the Treasury, and endeavoring to show, by facts and figures, that upon his own basis the deficiency which he estimates for 1860, will not exist. I am seeking for the truth, and endeavoring to extract it from the facts before me. But I am seeking to assail nobody, and I can tell the Senator from Rhode Island, that I have a very high regard for the ability and integrity of the gentleman who presides over the Treasury Department.

Mr. SIMMONS. I had not an opportunity of reading the speech of the Senator from Pennsylvania, but I wanted to know where I could find the figures.

Mr. TOOMBS. I can show the Senator where he will find the figures I refer to. I read them from a document printed last year, containing a statement of the receipts and expenditures of the United States from March 4, 1789, to June 30, 1857, ordered to be printed on the 5th of February, 1858. The tables are from the office of the present Secretary of the Treasury, and I have no doubt are accurate.

There is another source of public revenue altogether adequate to meet the estimated deficiency, even if it should occur, and for the management of which, I think, the country has just cause of complaint against whoever may be responsible for it. I mean the public lands. For the last five years we must have paid more than three millions of dollars in the necessary expenses of bringing the public lands in the markets. I find the expense for the last two years exceeds half a million per annum. We have above sixty millions of acres which have been surveyed and never offered for sale. Some of them have been open for settlement six or eight years, yet have never been offered for public sale. The best of them, of course, are daily covered by preëmptions, town sites, mill sites, and all locations having extraordinary value are constantly seized upon by speculators by means of sham settlers. And yet the Government, while it urges the increase of the public taxes, refuses to avail itself of this legitimate and proper source of public revenue. The receipts for the present fiscal year but little exceed three millions of dollars. It might have been readily carried to double that sum by simply offering the lands at public sale, and thereby compelling these persons to pay the Government what is justly due it. Some of these lands having been open to settlement for the last ten years, the policy of the Government has operated as a ten years' credit on preëmptions. This policy is not warranted by law, and is opposed to the settled policy of the Government for the last thirty years. We had to abandon the system of direct credits on the sales of public lands more than thirty years ago. This indirect credit is liable to even greater objections, has not been sanctioned by Congress, and daily adds new embarrassments to the proper administration of this public property.

Mr. SHIELDS. I presume the honorable Senator, in saying there had been no sales made in the new States, means public sales, general sales.

Mr. TOOMBS. Certainly.

Mr. SHIELDS. That is true. The people of those States are opposed to those public and general sales, because they put the lands into the hands of speculators and non-residents; but there have been sales going on yearly there, what we call private sales, preëmption sales, and those sales have not brought much money into the Treasury, and never will. The reason is, that the land warrants which have been issued by Congress supply the place of the money, come in as substitutes for it, and even public sales will bring no money into the Treasury as long as the land warrants exist.

Mr. TOOMBS. That is a very great mistake, and I need simply refer to the facts to show it. Before the last two years we got from five to ten million dollars from the public lands, and had ten times as many land warrants as now. The facts are against the Senator. We commenced this bad system, in my judgment, of throwing away the public lands in 1849; warrants were issued to the amount of seventy or eighty million acres, and all of them have been absorbed but ten million; and yet, during that time the revenue from lands went as high as ten or twelve million, some years.

Mr. SHIELDS. Will the honorable Senator permit me to say a word?

Mr. TOOMBS. Certainly.

Mr. SHIELDS. I do not wish to interrupt his remarks, but I merely want to defend the Department. I know the honorable Senator does not mean to make an attack on the Department, and I am delighted to see that he is exposing these things independent of individual men. I am glad to find one Senator bold enough to rise here and put aside favoritism. But, sir, on this single point I now venture this prediction, that if the Secretary of the Interior and the President bring all the public lands of the United States into market and sell them to speculators, they would not bring \$200,000 into the Treasury for two years.

Mr. TOOMBS. I think the honorable Senator is very greatly mistaken. That is not the idea of the Government, because in the estimates of 1860, with all the land warrants out, they estimate \$5,000,000 as the land receipts. We have seen the operation of these land warrants for ten years. The reason why the lands have been kept back is this: when public lands are offered for sale, the preëmptioner must pay; until you offer them for sale, he may live on them for twenty-five years, and never have to pay. That is what the postponement means, and nothing else. You might settle every quarter section in Iowa or Minnesota or Wisconsin, and until the Government offered it for sale, and thereby compelled the preëmptioner to pay up, it would never bring a dollar into the Treasury, unless the settlement was on lands open to private entry, at \$1 25 an acre. All the money, or nearly all, we got from the public lands last year was from those lands which were subject to entry at \$1 25; but as I said before, we have sixty or eighty million of the best land, that have been surveyed and not brought into market. It is true, the more settlers, the less they bring, because they take the advantageous positions. They will take the town sites; they will take mill sites; they will take river fronts; but at public sale there will be competition. Many years ago some lands at public sale in Alabama brought from sixty to seventy dollars per acre at public sale; some brought, in 1836, in Mississippi, from twenty to thirty dollars an acre. As to this cry about speculators it means but little, the public lands are thrown open to public competition and all can buy who choose.

The objection in the new States is not to speculation, the man who settles and puts his cabin on a quarter section, and pays his \$1 25 an acre, will sell it to you for ten dollars. He likes that sort of speculation. I think the most desirable thing is to sell as much land as you can to actual settlers; but it is the duty of the Government, when they have charged the public Treasury with the expense of surveying sixty or eighty million acres of land, and we need the money, to sell the land and get revenue from that source. It is not done. We ought to sell at least the public lands which we have ready for sale, before going to the pockets of the people for additional taxes. The public lands were given to you by the States for the purpose of being sold in order to lessen taxation; and as long as they belong to this Government, the legitimate purpose, the absolute condition of the grant, is, that they shall go into the public Treasury to the relief of all the States, the grantors included. That is the very language of many of the grants of the different States, my own among the rest.

I know the Senator from Pennsylvania, some how or other, threw out the idea that there was some sort of advantage that somebody got—probably the South—from the public lands, and that Pennsylvania, some way or other, was deprived of her part. There is nothing in that idea at all. So far as Georgia is concerned, we ceded Alabama and Mississippi, and they have brought near \$50,000,000 into the Treasury. I do not consider that she did anything wrong in making the grant, nor do I regret it, I think it was but justice to her confederates, and I approved her policy. I always thought the principle Maryland maintained was right, and that the wild and vacant and unappropriated land, which were won by the valor of the whole country, from its common sovereign, ought to inure to the general benefit; and, therefore, I always approved the Georgia grant, and approved the grant of Virginia. It ought to have been a common fund, for the purpose of meeting the burdens of a common struggle; and, therefore, the special appropriation of it to particular States, in my judgment, was not just, and hence I heartily approved of the cession; but how Pennsylvania has ever been injured by it, I cannot imagine.

Mr. BIGLER. Will the Senator from Georgia allow me a moment?

Mr. TOOMBS. Certainly.

Mr. BIGLER. I certainly did not state that Pennsylvania was injured directly. The idea which I presented was this: that this property was the common property of all the States at the time it was given to the States which I named for railroad purposes; that it was a valuable donation from the common Treasury. If the lands had been converted into money, that money would have gone into the Treasury, and answered to pay the common expenses of the whole Government.

Mr. TOOMBS. I did not know that the Senator had put it upon a thirce, yea, a ten-times refuted idea. The grants that have been given for railroads in the United States, and which have been so much complained of, did not cost Pennsylvania, or Georgia, or any other State, a single dollar. You granted alternate sections of the public lands along the line of those railroads within a given distance, and raised the price of the reserved sections to double the ordinary minimum; and the actual result has been that they have brought it. I say, then, this policy has not cost Pennsylvania, or anybody else, a single dollar; and I think it was acting the part of the dog in the manger to oppose it. For myself, I have looked upon the public lands as a portion of the public property, not at all distinguishable from the public money in our use of it for internal improvements; but, when the General Government had large quantities of lands which she could not sell, which nobody would settle upon, on account of the want of timber, and of water, and of the means of transportation, it was wise policy to grant a portion of the lands to build improvements which would make the remainder worth double the price at which they were held. It is what I would do with my own property; and to the extent of my constitutional power, that is my rule of dealing with the public property. I say Pennsylvania did not lose a dime by these grants of land; but besides the general, she had a special benefit from them. A great many of these roads have been built, and thereby have caused a greatly increased demand for that sterling and staple article, iron, which is now attracting so much general attention, especially in the good old State of Pennsylvania.

I say, sir, that if the public lands which have been recently surveyed—between sixty and eighty million acres—were thrown into the market, as they ought to have been before, there would not now be a dollar of deficiency. Put your Post Office Department, on its old basis; make it self-sustaining as was provided by our fathers, and as it was ignorantly or deceitfully said would be the effect of the last reduction of postage; and there would now be no deficiency. You have to make a deficiency in the Treasury by bad policy, by squandering the public means, in order to create an excuse for taxation. That is the truth about it. It requires the most extravagant expenditures to work out, at the end of 1860, even with disastrous times, a deficiency of \$4,000,000, in order to present it to the American people, and say the necessity for increased taxation is inexorable, unavoidable; bend your backs to new burdens. Sir, I'll none of it, not an ounce.

I have shown you, sir, that there is properly no deficiency, even upon the present basis. I have shown you that, if there is an actual deficiency, you may meet it by a single item alone, the public lands; or you may meet it by another single item, by making the Post Office stand where it ought to do. Act properly with either of these subjects and your present means will suffice for your expenditures even on the present extravagant basis, and provide a fund for the redemption of the debt which you have incurred under extraordinary circumstances.

But, sir, suppose I am wrong in these facts and deductions, and that in truth the revenue is insufficient to meet expenditures on the present basis. Then my remedy is to reduce the expenses down to the revenue. The remedy is certainly worth an inquiry. But the Senator from Pennsylvania declines to enter into this inquiry, he can see relief in nothing but additional taxes. He represents his constituents as distressed, out of employment, suffering under industrial prostration, and he comes here and begs for new taxes; no, he does not beg for them, he demands them. He says, Pennsylvania is no beggar. I know it, sir, and if she were, I am quite sure she is too wise to beg for taxes, for new burdens to be put upon her back, I do not believe it is her voice, but if it is I will protect her in spite of herself, so far as my vote can do it.

I proceed then to show that seventy-three million of dollars are not necessary to be expended during the fiscal year 1859-'60. Indeed this great fact is admitted by every Senator who has spoken upon the subject. The difficulties of retrenchment, not its propriety, are pleaded in defence of waste and extravagance. Some allege that the Executive Departments are responsible for this waste and extravagance, others allege that the Legislature is responsible for them, when the truth is the fault lies with both, but mainly with Congress. Our Constitution entrusts the national purse to our guardianship, vests us with ample power for its safe keeping. It is the duty of the Executive Government to watch over the proper application of the expenditures directed by law, and to suggest such alterations in the laws as may be necessary to protect the public interests. We are sometimes told that the Executive Departments only expends what Congress

appropriates. So unmindful in its duty has Congress been for many years past, that it may be said, with as much truth, that Congress appropriates whatever the Executive Departments demand. But neither proposition is wholly true. A very large proportion of the ordinary public expenditure is not and cannot be regulated by law, and this is the door through which some of our greatest excesses have crept in. Abuse of discretion is the rule in our Executive Departments; careful economy is the exception. Look at your Quarter-Masters' Department in your Army, and the expenditures in yards in your Navy for the most striking proof of this truth. These are not regulated by law, they are fast swallowing up the Treasury, and eating out the vitals of these two great branches of the public service. The postal service, from its nature is least capable of being subjected to legal control, and as I have already shown, it is swallowing up nearly one-fourth of your net revenue. These are examples on a large scale, the same rule runs through the minutest detail of the public expenditure, and admonish us that nothing should be left to discretion which can be regulated by law, and that the price of economy is eternal vigilance over those to whom you are compelled to commit a discretion over any part of the public expenditures.

When we come to the legislative department, the great difficulty in the way of a proper economy is the want of individual responsibility of the legislator. The people do not hold each member responsible for his own votes, he stands or falls with his party in his district or State, and neither gains nor loses by his good or bad conduct in these respects, and under our system a minority often holds a majority responsible for the very abuses which they have foisted upon the country, by uniting with a fragment of the majority. The people must hold every member responsible for his own acts before this great evil can be corrected, it is in their hands, and they alone can apply the remedy. Of late years the people have been so much absorbed with great sectional issues, that they have given but little heed to the practical administration of their affairs, and even great culprits have not only escaped punishment, but even public indignation, by a clamorous affectation of sectional zeal.

We have maintained an army and a navy from the beginning of the Government. But it is important to inquire upon what principle they have been hitherto and ought now to be maintained. Latterly we seem to have forgotten first principles. It is not our policy to maintain an army or navy on a basis having the least relation to similar establishments of other nations; we do not expect or desire to keep up these establishments on the basis of England, France, and other great European Powers. In the first place, our remoteness from Europe protects us from sudden invasion, and our interests separate us from all complications with her complicated policy, and our institutions wisely relieve us from any necessity for great military establishments for domestic uses. The organs of despots abroad, and foolish or interested men at home, frequently taunt us with the smallness of our military establishments in comparison with those mighty engines of oppression maintained by the European Powers. But the comparison is their shame and our true glory. The peace establishment of England, before the late Russian war was a little over one hundred thousand men in her army, besides her large naval establishment. She kept regiments at home as a security for order; she kept regiments in Ireland to maintain oppression and keep down just rebellion; she kept regiments in Canada as additional security for the loyalty of the colonies, regiments in India, to enable the honorable East India Company's tax gatherers to flog rupees out of the bottoms of the feet of her loving Asiatic subjects; she kept them in Gibraltar, in other points in the Mediterranean, in the Persian Gulf, in the East and West Indies, to secure possessions of which her rapacity had robbed the rightful owners, or to maintain the injustice which she has inflicted on her own subjects. She has also nearly two hundred ships in commission, and she needs them; she is assailable all over the earth. There is not a continent on the earth, nor an island of the sea, nor a civilized nor a savage people, who have not smarted under her insults and her injuries. She does not hold so much as a fortification in the whole earth, outside of Great Britain, from which the rightful owners will not wrench the flag of St. George, the moment an opportunity offers. Do you suppose Spain would not re-take Gibraltar if she could? Do you suppose Persia would not retake Aden if she could? Do you suppose the Irish do not wish freedom? Do you suppose her policy in the West Indies ever had any other sanction than her power? Do you suppose her hundred million of conquered subjects in India love their chains? No, sir, England has made the world her enemy, and she needs troops; and if we compare her necessities and ours, our own military establishments are larger than hers in proportion to our necessities. Besides these standing aggressions, within the last three years England has been in open war with half the human race. She can never have friends, position, and relations, until she changes her policy; she has but one policy, that is, to increase her own power, the first by strengthening herself, secondly by weakening all other powers of the earth. Her day of reckoning is at hand, I hope it will be in my time. Neither have we the same necessity for armies as the continental Powers. The French Em-

peror keeps up an army of five hundred thousand men in peace; they are the support of his throne, and his defence against hostile dynasties and peoples at home and abroad. The same may be said of all Europe. Possibly their armaments are not greater than their necessities. We stand on a different system; our Government has no other foundation, needs no other support, but the consent of the governed. Our Constitution teaches us to rely on the people, not on standing armies to defend us from danger both from within and from without, upon our militia, not on mercenaries to maintain the honor and interests of the Republic, both at home and abroad. The allegiance of our people is voluntary; as long as your institutions are just, the body of society will be interested in their maintenance. No Senator here pretends to ask for a single soldier to preserve peace or order in any State of the Union. If, under some temporary excitement, any State of the Union chooses to disregard the laws, we cannot afford to crush her by force; if she is faithless to her high duty, it is safer to cut her off than to govern her by external force; but we have no such alternative presented us, and I trust never will have. I have faith in justice as a sovereign remedy for popular discontent under republican institutions, none in soldiers.

Therefore, I want no armies to keep peace at home or make war abroad, or to force our Government upon reluctant peoples. We need only enough troops to protect our frontiers against the casual depredations of savage Indian tribes; ships enough to protect our commerce from pirates, from such sudden, irregular, lawless violence, as may be inflicted on our commerce in different parts of the world. Our army is already too great, much too great for the purpose here specified, and could be reduced with great public advantage. For the five years preceding these, referred to in Mr. Guthrie's report, the expenses of the military service did not much exceed nine millions per annum. And it was not until 1852-'3 that these expenses ever reached ten million of dollars, except during war, or before a reduction of the war establishment. When I came into Congress the army expenses ranged from four to six millions of dollars per annum. During the Mexican war, of course, they were greatly increased, we called sixty or seventy thousand men into the field for foreign war; but even during that war the whole expenses of the Government were but sixty millions of dollars. It is true you have since raised the compensation of the army, but compensation is not the abuse complained of. You now spend in the Quartermaster's Department above seven millions of dollars—an amount greater than the whole expenses a few years ago. You also gave, several years ago, the discretion to the Secretary of War to carry up your companies to ninety men when serving on the frontiers, if such a measure should become necessary. The present Head of the Department has exercised that discretion unwisely, in my judgment, by calling out the last man the law permits, and thereby greatly increasing, not only the pay, but other expenses rendered necessary by this act. This discretion ought to be repealed. Its repeal will save you not less than three millions per annum. This is strong proof of the danger of leaving to discretion that which should be regulated by law.

The Navy Department is running the same race of profuse expenditure without any corresponding increase of efficiency. We have had no marked increase in the number of our seamen for several years, and but little increase in ships; those which we have built for the last three years, have been built by special appropriations. Your appropriations for simply improving navy-yards, not building or repairing ships, are estimated for the next year at above \$2,000,000; and it will not be less until you arrest it by withholding the appropriations. You have eight thousand seamen, and frequently keep as many workmen in your yards to keep them afloat. You have eight navy-yards; six located within a few hundred miles of each other on the Atlantic coast; and I am informed that England has but two or three yards of construction in the whole of Great Britain for her six hundred ships. Your own are so badly governed as to bring a reproach upon the Administration; its enemies say they are used to control elections. I know nothing about the truth of it, but there may be something in it, at all events it is our duty to see that those who manage them should not both spend our money and corrupt the ballot-box. I would put the sting of disability into the temptation, by confining appropriations to the strict necessities of the service.

This money does not go to build a ship, or repair a ship. The \$2,000,000 which you spend in navy-yards, does not drive one nail into a public vessel; does not give Jack an additional ration of grog. You have carried your naval expenses in ten years from five or six million dollars to thirteen million dollars, with no more efficiency, and but few more ships. The three or four million dollars which you spend ostensibly for the gradual increase of the Navy, does not build you a ship; for whenever you want a new one, you come here for an appropriation. If you want a little bit of a sloop at a cost of \$80,000, there is a special recommendation for it. The President recommends it; the Secretary of the Navy recommends it; and my friend who now occupies the chair (Mr. MALLORY) is urgent about it. Notwithstanding the ten or twelve million dollars we give for the Navy, we are asked to vote six or seven hundred thousand dollars for ten sloops next year. I think this money is badly spent, even if spent for politics. If it is to be appropriated even to that business, it ought to bring more results.

I recollect, Mr. President, that you and I had some controversy the last session in regard to naval matters. I stated that the French navy proper, cost 120,000,000 francs. You asked for my authority, and stated it to be a much larger sum. I have now got the official account, which I will take great pleasure in showing you on some occasion, which proves that I was exactly right. That is all the French navy costs, with their four or five hundred ships. She expends \$24,000,000 on her navy, and we spend \$13,000,000. We are threatened by gentlemen with her four or five hundred steamers; and we are ridiculed for our ten or twelve. Take the English navy, and the same result is apparent. One gun, floated by the American navy, costs five times what a gun is floated for by Great Britain, or France. We cannot stand that. Squandering our means in peace is not the way to prepare for war. The true policy of preparing for war is to strengthen the nation, to husband its resources, make your people rich and prosperous, and then they can protect themselves. It is not by useless armaments squandering the public money.

Mr. MALLORY, (having left the chair.) Will the Senator from Georgia allow me to interrupt him for a moment?

Mr. TOOMBS. Certainly.

Mr. MALLORY. I do not wish to interfere with the course of the Senator's remarks; but, perhaps, it would be as agreeable to him to correct, as he goes on, any error that he may fall into in relation to these matters.

Mr. TOOMBS. Certainly.

Mr. MALLORY. I think the Senator stated just now that we had eight navy-yards and Great Britain had but two. Sir, the fact is that Great Britain has seven building yards and constructing yards in her own immediate dominions, each of which is probably five times more extensive than the largest one of ours. That is a very important matter. Then, in relation to the expenditures of the French navy, the pay is about one fifth of ours; and the pay of their mechanics perhaps less than one fifth; and in the British navy the pay of the men is fifty per cent. less than with us; and so, throughout all of her mechanical operations, the pay is about one third of what it is here. No comparison can be instituted between the expenditures of our navy and that of Great Britain or France, without taking these things into consideration.

Mr. TOOMBS. I do not intend to controvert that they get things done cheaper in England and France than we do. I believe that when labor in New York city is worth six shillings a day, the Government pays an able-bodied man \$2 50.

Mr. MALLORY. In our navy-yards they give the same rate of wages, and no more, that is paid in private yards. The current rate received in private yards at New York is that given in the public yards. I believe, however, there is a limitation of time observed in the navy-yards, the ten-hour rule, which is not observed in the private yards. That is the only difference I know of.

Mr. TOOMBS. The fact stands that in Europe they get their work done cheaper, and yet they send here to have ships built. The British and French support their naval establishments at a much less expense, comparatively, than we do, and yet we have one great advantage. Not a mast, perhaps not a spar that the French navy uses is grown on the soil of France. She has not a mast in all her vast dominions that I know of. They are brought out of Georgia and the Senator's State, and other southern States.

Mr. MALLORY. I will say, in answer to that, it is the highest compliment which could be paid to the mechanical skill and progress of our country. They do not send here because they get their ships built cheaper, but because they get them built better; for they have not built a ship in Europe equal to one of ours.

Mr. TOOMBS. I am not to be diverted by the Senator's passion for praising the navy. I have heard it too often. As for their ships not being good ships, I presume they are equal to ours. If they are not so much the better for us; and we can take them easier when we come to fight them; but I am afraid we shall be mistaken if we rely on that. I would rather rely on the mettle of our men, than on the difference in our ships.

Now I come to the Post Office Department. My honorable friend from Pennsylvania yesterday gave us some tables, by which he attempted to show that the southern States were greatly benefited by the existing post office arrangement. He gives us tables, to show what the excess of postal expenditures over receipts in Georgia, for the last five years, has been; and upon the same basis, he says, they ought to have been so much in Pennsylvania. He seems to look upon the Government of the United States as a great beggar-house from which there ought to be a fair division of plunder. I have a plain story that will put that Senator down very readily. I told him I would show him what his tables were worth. I say there is not a State in the Union, whose expenditures for carrying the mail last year, according to the report of the Postmaster General which I have before me, did not exceed the receipts, except Massachusetts, Rhode Island, New York, and the District of Columbia: Rhode Island and the District of Columbia, because

they have but little territory over which to pay for carrying the mail; New York and Massachusetts because they received a large amount of foreign postage, for which we pay England and other foreign countries and our own steam ships, over two millions of dollars for earning which is not charged against them. Therefore, there is, in fact, not a single State or Territory in the Union in which the post office is not a burden.

Who has brought about this state of things? When you reduced your postage to three cents, it was said, "Let us imitate England; she has a penny postage, equal to two cents of our currency; three will give us money enough." My honorable friend from Vermont, (Mr. COLLAMER,) told you that would not do; he brought his usual good sense to bear, and told Congress it was a policy which would not keep the Department self-sustaining; but it was proved, apparently, by those who seek to put the expenses of their business upon the people of the United States, that three cents would pay all the expense. I protested against it, and voted against it, and never believed in it; and I do not think anybody believed in it, except some very simple people.

Mr. BIGLER. Will the honorable Senator allow me to say a word?

Mr. TOOMBS. Certainly.

Mr. BIGLER. I am satisfied it is not the Senator's intention to misrepresent any statement which I made; but the effect of his argument will do so. I was perfectly aware that the statement which I presented, in the view which the Senator takes, was not accurate. I stated distinctly, that I had thrown out of that account the expenses of the General Department, and the expenses of the foreign mail service, and the Pacific service; so that the account embodied only the local service within the several States—the expenses for transmitting the mails and for postmasters. In doing that, I stated, further, that I acted on the communication of the Postmaster General, to which the honorable Senator has just referred, who said that these general expenses belonged to the States *pro rata*. I know that, when they are divided amongst the States, there is not one which pays its expenses in full; but that does not in any way disturb the account which I presented, which is for the local expenses within the several States.

Mr. TOOMBS. I have stated the Senator precisely as he represents himself; but he left out important elements necessary to get at the case. The Senator did say that the southern section of the United States was benefitted by it at the expense of the North. If his argument did not mean that, it meant nothing.

Mr. BIGLER. I certainly said, and I meant, that the States to which I referred had a large proportion of their postage paid out of the Treasury; but in what light did I present it? Simply to meet the complaint which was made, that the manufacturing States realize large incidental benefits from our revenue system. In making up the account, I threw out the foreign postage to which the honorable Senator has referred, as far as I could get the information; and in getting it, I did not rely entirely on my own judgment, I endeavored to make it accurate, and I hope it is so; for I should regret to have made an incorrect statement.

Mr. TOOMBS. The Senator may perhaps better wait until I am through with my reply to his postal argument; he will find a good deal more to answer. My complaint of his statement of his statistics was that they did not present all the facts, and were therefore calculated rather to mislead than to enlighten us. He recapitulated the results of five years post office debtor and credit with Pennsylvania. Why did he not take the *present* condition of the postal service in Pennsylvania? It told a different story, that is all. He referred to a time when the post office was conducted somewhat after the old fashion—to a time when men paid their own postage—to a time before the enterprising classes had contrived to throw the expenses of their business upon the public treasury. But since the post office had devoted itself to "progress and civilization" instead of carrying letters and newspapers, Pennsylvania, like the rest of her sisters, "is short" in her accounts. The moment that the expenses of the Department were thrown upon the treasury, we began a race of deficiency; all the States became deficient, and the "devil take the hindmost" is now the cry all along the line. But the Senator takes consolation from the fact that Pennsylvania is not so far behind as Virginia and Georgia. But there is this difference: Virginia and Georgia, now and at the time of the adoption of this profligate policy, opposed it. Pennsylvania, then and now, supported it. We insist that the man that writes and receives letters shall pay his own postage; we say that it is unjust that merchants, manufacturers, lawyers, and lottery men, who write great numbers of letters, and whose business requires it, shall throw the cost of their business upon the public treasury—upon working men who do not, and perhaps cannot, write letters; we neither seek nor desire that those among us whose business requires a large use of the post office shall compel honest toil to share with them this part of their business. This is a departure from the practice of our fathers; they held that when the Government undertook the carrying of people's letters and newspapers that these people should pay the cost of their transportation—that they should not throw any portion of their expenses on other people's shoulders. Suppose my friend from Pennsylvania should propose to some honest

farmer in Pennsylvania, near his post office, to hire a box together, each to pay an equal sum of postage, when his postage would be ninety-five per cent. to five per cent of his honest friend, does he suppose that he has a constituent out of the madhouse who would not treat the proposition with indignation? Yet this is precisely the principle upon which our post office is now carried on. They who write letters and send or receive newspapers, and whose business requires them to do so, throw the expense of their business upon honest toil, and then write and speak and send men to Congress to prate about protection to these very laborers whom they are robbing under the forms of law. These very skillfull, adroit, enterprising gentlemen contrive a system by which they levy pence out of poverty to pay the legitimate expenses of their own business, and then have the audacity to stand before me and claim to be the especial friends of labor! Sir, it is mockery which should be exposed by all honest men. That this is the result of the present postal system is demonstrable. It is not sectional, it affects the laborer in Maine and New York as much as it does the laborer in Georgia. I stand here to resist the transfer of the burdens of commerce, manufactures, and professions upon other pursuirs in Georgia, as well as in Pennsylvania or New York. The New York legislature sends us memorials to fasten this burden upon their labor. I will not do it. The Senator from New Hampshire stands up here to grind his own poor for the benefit of the rich. I will resist him, and defend the rights of the humblest laborer in New Hampshire against this injustice. That Senator says, with great plausibility, I do not intend to tax the poor men in my State more than three cents for their letters. Well, suppose three cents per letter does not pay the cost of transportation, where is the rest of the cost to come from? Out of the public treasury, of course. Who pay that? Government earns no money; it only spends the earnings of labor. Nearly all of our taxes are levied by duties on imports, which are taxes on consumption; rich and poor pay according to their consumption of dutiable commodities. A laborer with an income of one thousand dollars per annum, may consume as many dutiable goods as a capitalist with ten thousand a year. I know many planters in my State who are but little affected by your revenue laws. They live at home. They make their own shoes, and hats, and blankets; their daughters spin and weave their shirts, and pants, and coats, and their wives make them up; they buy salt and iron, and care but little for the balance of your imports. But take a working man, who makes no part of his own consumption, and sells his labor to buy what he needs, and he may consume more dutiable goods, and thus pay more revenue to the State, than one of those persons with an annual income of ten thousand dollars. I have seen it stated in the newspapers that a very worthy gentleman in New York pays a tax of eighty-five thousand dollars per annum to the city on assessed property. His coachman probably does not pay one cent to the city, because he may have no taxable property. But he probably has as voracious a stomach, and as broad a back as his employer, and may have a much larger family to support, and therefore it is possible that he may consume as many goods paying duty, and pay as much duty, as his employer. It is next to impossible that his employer could consume an amount of dutiable goods in proportion to his wealth. To collect of this gentleman taxes on imports equal to the tax on property which he pays the city of New York, he would be compelled to buy near a half million of dutiable goods per annum. There are very narrow limits to individual consumption, especially of the articles upon which the Federal Government levies its revenue. Most of our people are able to buy and consume all they want of such commodities. The difference between the consumption of the poor and the rich is not at all proportioned to their means of purchasing, therefore their taxes are grossly unequal. Indeed indirect taxes, all taxes on consumption, are unjust and unequal taxes. They tell terribly on labor. They have destroyed the labor of Europe, and they will destroy ours, if we keep up the system. They eat up the small gains of the poor—the substance of the laborer; by tolling his daily earnings in the purchase of the necessaries of life, and exempt the greater portion of the incomes of the rich from public burdens. By this system England has beggared her laborers who are daily fleeing to America, to Australia, and to all parts of the earth to escape its direful effects. She has abandoned protection, but levies her revenues mainly on the consumption of the necessaries of life, from the sweat of the poor. Let us profit by her example. The revenues of the State should be levied from its wealth and not from its poverty; therefore a tax on property should be substituted for a tax on consumption as rapidly as other public considerations will allow of it. Let not my friend from Pennsylvania then put heavier burdens on the poor to pay the postage of the rich. By his own account they carry all, nay even more than they are able to bear. Spare them this additional infliction, and go with me back to the better days of the Republic, when letter writers paid for their own correspondence and newspaper takers paid their own postage, and the humble poor, who, perhaps, could neither write nor read, were not burdened with the legitimate expenses of their more fortunate neighbors. To make the man that writes no letters pay for those who do, whatever the New York legislature may say about it, whatever the Senator from New Hampshire may

say about it, is but taxing the poor, and it may be the unfortunate poor, for the benefit of the rich. But the Postmaster General seems to think that we should no more expect the Post Office Department to support itself than the Army or Navy. I would tell him there is this difference: the public defence is indivisible. We can only apportion the expenses of these departments among the people justly by just taxation; if we could apportion these expenses according to the benefits received, it ought to be done. But it lies at the foundation of civil society, that every part of it, every man in it, is bound with his life and his property, the whole of it, to defend and preserve the State, and defend every man in the State. But there is nothing in civil society that requires one man to be taxed to carry another man's letters, more than there is to tax him to carry to market another man's corn, wheat, cotton, or potatoes. Not to see this distinction is a sufficient solution of our present postal difficulties.

I demand, therefore, that the Post Office shall support itself, or be cut off from the Government. If New-England, on account of her dense population and particular pursuits can support her postal system at a less cost than we of the South can, let her have the benefit of it. We do not wish or desire her money to pay for our letters. My friend from Virginia, (Mr. HUNTER,) has presented a project which will meet all such difficulties, and do justice to the whole country. We get an undue share of the wastage of the Post Office Department. We have hitherto resisted, and now desire to surrender it as unjust. Abolish your franking privilege, stop weighing down your mails with useless unpaid trash, such as Globes and Patent Office Reports, raise postage to a remunerating point; and if you cannot then carry on the system as cheaply and efficiently as it can be otherwise done, abandon the business, and leave the transportation of letters where the transportation of all other commodities is left, with those who have an interest in the business. I know you will not do it well, and I would to-day if I could, sever the connection between the Government and the postal business of the people. But it will take some time for this plain truth to get itself acknowledged. I am content to watch and wait. In the meantime labor must toil and sweat, and bear other burdens for the sake of soft words from deceitful tongues. I suppose it would be hard for me to convince a day laborer at one of the furnaces of Pennsylvania, who has nothing to carry to market, that it would be to his interest to join me and pay one-half or two-thirds of the expense of carrying my cotton to market, and I to pocket all the benefits of the operation; but that is exactly what his Representatives here are doing for him with regard to my letters every day they sustain our present Post Office system. These are blind leaders of the blind, or men who see, yet perceive not. Sir, I am a friend of labor, I honor it; I pity it; the world praises it, and robs it. I will give no vote to rob it of its just earnings. I will not wring another drop of sweat from its face. You need not talk to me then about a deficiency of ten millions of dollars in your Post Office Department for the next fiscal year. I will not vote it, I will not provide for it, and, without that single item, we need no increase of taxes. Make those who use the Post Office pay for their own business, and you have no need to levy a single shilling out of labor for the next year. The Post Office Department pay above two million four hundred thousand dollars for carrying the mails from the Atlantic to the Pacific side of the Continent. I remember a few years ago, that Mr. Vanderbilt offered to Congress to do that service efficiently for two hundred and fifty thousand dollars per annum. I doubt not it could be done to-day for a half million of dollars. We receive but \$272,747 06 from the whole of our Pacific postage; we, therefore, sink near two millions and a quarter of dollars on the mail service on that coast. This annual loss is greater than the whole loss on postage from the Revolution to the acquisition of California from the best data I can obtain. Is it not time that one's patience should be exhausted? Is it not time that the Post Master General should cease developing "the agricultural and mineral resources of nearly one-half the Continent" by means of four horse post coaches? Is it not time that he should stop pioneering for "civilization and progress?" I think so, I shall vote so. These things can be done better by letting them alone. There is no sane man in America who would manage his own business in this way. Any man who would thus manage his own affairs would have them taken out of his hands in any well-regulated community and put into commission. He would be, to use a polite term, what the Scotch call an innocent, favored by the gods, and deserving the kind protection of all men. We must alter our system, bring down this Department to the wants of the country to be tested by what those who use it are willing to pay for it. I must pass other equally glaring excesses in other Departments of the Government. I intended to look into your Indian affairs, your Light-house system, your Custom-house, and Post Office building expenses, but I have not time, or strength; I must reserve them for a future occasion. Your whole Indian relations ought to be changed. The present head of the Interior Department manages that, and all the rest of the public interests committed to him, with great industry, integrity, and ability; but the system is wrong and demands reform. I must here leave the second point of the controversy, and submit to the Senate and the country whether I have not shown that

the present basis of Government expenditure is neither wise, prudent, necessary, or proper, and ought to be altered. These views necessarily dispose of the whole question; but, as the Senator only made this resolution a text for a tariff speech, I will follow him into his remedy for imaginary necessities. The truth is, the honorable Senator is a good friend of economy in the abstract; he votes well upon public expenditures, but he imagines that Pennsylvania wants additional protection on iron; he does not wish to come up and demand it as a wise and proper system of legislation, but assumes that it is a financial necessity. He does think that additional protection on iron will benefit Pennsylvania. I do not think so; it may be a benefit to particular interests in Pennsylvania, but not to her whole people. I do not believe the people of Pennsylvania have raised this clamor. I think the iron mongers have raised it; they speak in the name of Pennsylvania to give weight to their appeals, but I am unwilling to believe the State of Pennsylvania demands any such legislation. Why should it have arisen now? It is shown by the very able report of the Secretary of the Treasury that there was less foreign iron imported last year than there had been for many years before; that the production of iron had steadily increased up to the pecuniary revulsion, until the product had reached the unprecedented amount of one million of tons. It is true iron has fallen in Pennsylvania, and so it has all over the world. Does the iron maker expect that Congress is to protect him from wide-spread monetary convulsions? If he does, his expectations are vain, for Providence has wisely denied them the power to do such a thing.

I have disposed of the tariff of 1857, so far as it affects the revenues of the Treasury; I now propose to examine in its industrial effects. The act of 1857 is a tariff for revenue, discriminating for protection. Whether this system be wise or unwise, it is the principle upon which that act is founded; it is based upon the principle contended for by Mr. Clay in 1844, though not carried to the extent to which he would have carried it if he had succeeded to power. Then the principle of the bill is not obnoxious to Pennsylvania; it is justly obnoxious on account of the extent to which the principle is carried. Even as a protective measure, I think it transcends, in the present state of the country, any reasonable bounds of protection, and if the revenues do require augmentation, that such increase ought rather to be sought in the imposition of duties on some of the free articles of that act than in any increase of the duty on the protected articles. The duty on iron as laid at the custom-house is at least twenty-five per cent. ad valorem. Is not one-fourth of the price of iron enough protection for it at this day? Mr. Clay only defended protection even within the revenue principle, while our manufactories were in their infancy. When will the iron manufactory get grown; what is the age of its majority? It has been protected with a duty from twenty-five to one hundred per cent. for above forty years—from 1816 to this day. How long before it can stand alone? If it be that, after the lapse of forty years, it is unable to stand without protection, according to all sound principles, even of the protective policy, it ought to be abandoned, and American labor should no longer be wasted in the unprofitable pursuit. We have had time, continuous protection, and experience for forty years; within this time the cost of producing iron in the markets of the world has been reduced one-half; and if, under all these circumstances, iron cannot be profitably made with the advantage of twenty-five per cent. duty, we should no longer close to ourselves the markets of the world. It is an article of the first necessity in nearly all of the industrial pursuits of the earth. It is especially so to the greatest interest of this country, and of the whole world—that of agriculture. The farmer relies on iron for the production and transportation of his commodities to market. The farmers of the United States have no protection, and can have none; that interest in the greater portion of our country is extremely depressed. Shall we put new burdens on it for the benefit of the iron manufacturer? I say not. He already gives them a quarter of every dollar he spends for his own implements of husbandry, and those who transport his commodities to distant markets of consumption, already pay one-fourth of the cost of all iron necessary to lay their tracks for the support of the iron interests. The business of the food growers is as much depressed as that of the iron-makers, by what right shall the latter tax them for their benefit? Their pursuit is entitled to no more favor; it is no more useful to the human race, no more necessary to the State; they are not by many, many millions so numerous; why, I ask again, shall they be thus favored? They are more enterprising and clamorous, but I would advise them to beware how they push for extraordinary benefits at this day; new and great interests have sprung up in this country. Cheap transportation is the first necessity of the great West and the South, now a majority of this country; their rough produce, corn, wheat, potatoes, beef, and pork must find a market on the Atlantic, and in Europe; more than one thousand millions of capital has already been invested in railroads to meet this ever-growing demand for cheap transportation. This is the power you have to dread; look to it. They can combine as well as iron men; the present iron duty taxes them fifteen hundred dollars per mile on all the roads they build. They will not long submit to it. They are now prepared to say to the iron masters, we have protected you for above forty years,

you have had time enough to learn your trade, we will tax ourselves and our customers, the agriculturalists, no longer for your benefit, and I think they will be words of wisdom and of truth.

Mr. President, I have but a few words more to say on this subject, and they are words of friendly warning to the protective interests which now seek to disturb the tariff of 1857. That act discriminates largely for protection. It relieved nearly all of the foreign commodities necessary to domestic manufactures from duty, and even the exceptions were retained for protection and not revenue purposes. It was a great concession to domestic industry in violation of the principles of free trade. When it was adopted we found our revenues redundant, and it became necessary to reduce taxes in order to prevent great and unnecessary and hurtful accumulations in the Treasury. We, who earnestly desired a reduction of revenue, found it necessary, in order to obtain it, to make large concessions to the manufacturing interest. In some respects the act of 1846 did work hard upon them. Thirty per cent. duty was laid upon woollen manufactures, but the same amount was also laid upon wool, thus greatly neutralizing the benefit of the duty to the manufacturers. They asked that coarse wool at least should be free and woollen manufactures left in the twenty-four per cent. schedule. The demand was granted, and they went on their way rejoicing. The Senator from New York, the especial representative (not of free trade, but of free soil and protection) was in the conference committee which reported this act; it received his support and that of his friends generally; all parties are fairly committed to its support, committed to it not only as a protective, but as a revenue measure; committed to it with the full understanding that it would not produce above fifty millions of dollars on the importations of the then current year, and that for any increase of that sum we could only look to the future increase of the production and consumption of the country. It was a national settlement, and carried with it the implied pledge that the public expenses were to be kept down to that standard. But now, sir, we are told by the Senator from Pennsylvania, that his State demands a change of this measure, the Executive Government asks a change of this measure, and that, too, in the face of its entire success according to the estimates of the Treasury Department. Well, I know not the result; I have seen many strange things in politics in my time; I know not how many gentlemen are prepared to eat up their own words so lately uttered. I am not prepared for it. I shall stand to it until it shall be found necessary to reduce but not to raise it. It gives all the protection I shall ever assent to, and if we should need more revenue, I am in favor of raising it from the free lists, and not from the protected articles. The protective interest will find it to their advantage to stand by their bargain, to stand by their implied pledge to reduce the appropriations to the economical wants of the Government. There is safety in it, as well as honor and good faith.

The honorable Senator from Pennsylvania (Mr. BIGLER) suggests a change in the mode of levying the duty, at least on some articles he prefers specific to ad valorem duties. I have always believed that whether your duties were high or low, that that specific could be wisely substituted for ad valorem duties on a great many commodities; such has been the experience of all the great commercial nations. Thirteen years ago the arguments now urged for specific duties were submitted by me against the universal adoption of ad valorem duties in the act of 1846. I then argued that ad valorem duties offered greater facilities for fraud on the customs; that their effect would be to make your revenue, under the same rate, less stable and more fluctuating, inasmuch as it would make it depend on the prices of the dutiable articles, as well as the quantity consumed, and that its necessary effect would be to raise the most revenue when the Treasury would generally be the least pressed, and give most protection where none might be needed, and least when most was needed. A slight examination of the sugar duties for the last two years will strongly illustrate these positions: For the year 1856-'57, we received from duties on sugar \$12,478,871, equalling nearly one-fifth of the whole revenue for that year. In the year 1857-'58 we received only \$4,547,199, or less than one-ninth of the revenue for that year.

But, sir, while I believe that on many commodities it would be wise to levy a specific duty, whether it be large or small, instead of ad valorem, yet, the great majority of those with whom I act and most generally agree on these subjects, prefer the ad valorem mode. But they agree with me that the public burdens shall not be increased; they only differ from me as to the manner of imposing them, and as my great abiding object is to prevent an increase of public taxes, I shall yield to them the manner of imposing them. The friends of specific duties generally, in this body, are the friends of increased protection, many of them care less for the manner of laying duties than for the amount levied; some of them think specific duties a convenient mode, especially at this time, of covering up increased protection.

The Senator from Pennsylvania (Mr. BIGLER) says, that twelve dollars per ton is suggested on rails. The last accounts from Cardiff give the price of rails at £6 10s. per ton.

Twelve dollars a ton is about thirty-six per cent. ad valorem on present prices. The Senator is not in favor of high duties, but only suggests a specific rate which will give thirty-six per cent. instead of twenty-five per cent. protection. He also suggests fifteen dollars on bar iron—it was worth, by the last advices, £6 6s. This is only asking a little more than forty per cent. in lieu of twenty-five per cent.! All he wants are incidental advantages from a revenue tariff, but he seems willing to take on any amount of burden only to get the “incident.” I believe his colleague wants eighteen dollars on bar iron.

Mr. CAMERON. Oh, no. I take no part in this. I am listening to the gentleman with great pleasure. It is a fight between members of the dominant party.

Mr. TOOMBS. I can tell the Senator we have passed the time for viewing this great social question, through the disturbed medium of partizan prejudices. I am arguing this question to American Senators, who, without reference to party, voted for the law now under consideration. They have already discarded mere party objects in its adjustments. The honorable Senator from Pennsylvania, (Mr. BIGLER,) for whom I have a very high personal respect, advocates an unsound policy in my judgment. I propose to meet to him, as far as I am able, with arguments worthy of the Senate, and worthy of the great public interests involved. The Senator and the Government had as well begin to look this great question full in the face. Such protection as the honorable Senator advocates cannot be had, except from the enemies of their principles, and it is extremely doubtful whether such a course as that can accomplish the result. The world does move. Forty years ago the country was young, was poor, our manufactures were few and feeble, we wanted capital, we wanted skill, we imposed our taxes in such manner as greatly promoted our manufacturing industry. We nursed them, we built them up, whether wisely or unwisely, the fact is accomplished; and they will go on increasing and prospering in spite of croakers, in spite of convulsions, and in spite of tariffs. All the great branches of our national industry are on a firm basis; they are daily increasing and gathering strength; they will be subject to fluctuations, to adverse times and prosperous times—that is the law of human industry; but the result of it all is still—progress. Small men tie themselves on to the one or the other of these great interests, affect to be its peculiar friends for their own advantage. We have education, skill, experience, capital, labor, food, and raw materials lying all around, and millions of active, producing consumers, and free government. These are the imperishable elements of our material prosperity. Strike down your custom's duties to-morrow, and you will not thereby extinguish your furnace fires, nor shut up your factories or workshops, but they would survive it, and still flourish, perhaps all the better, for standing on industry rather than fluctuating legislative enactments.

Another pretence for overthrowing the tariff of 1857 is that it failed to bring a sufficient revenue in the year 1857–8. You have mistaken the remedy. Under the imports of that year it is doubtful whether any tariff you ever laid would have met these expenditures. It is absolutely certain that neither the act of 1842 nor that of 1846 would have produced a sufficiency of revenue for that purpose. I have applied with great care the acts of 1842 and 1846 to the dutiable imports of 1857 and find that the act of 1846 would have brought but \$51,982,796, leaving a deficiency for the year of over \$20,000,000. The same tables show that the act of 1842 would have provided but \$60,679,794. This, upon the assumption that the high duties of that act would not in any degree have lessened imports, this would have left a deficiency of over ten millions of dollars. But fairly estimating the reduction of imports which the very high duties of that act would have necessarily produced, I do not doubt but the duties under it would not have exceeded \$40,000,000, being a deficit of over thirty millions in the treasury. This table conclusively shows that the highest protective tariff you ever placed on your statute book is inadequate to your wants. I again repeat you have mistaken your remedy. You must retrench. High duties can only assist our manufactures by shutting out foreign commodities and substituting domestic commodities of like kind in their stead. This will reduce and not increase the revenue. The system if successful finally and with certainty must drive us to direct taxation for the support of Government. Such was the result in England; she imposed internal taxes to compensate for protection. It is well to consider on our present basis of expenditure how far we are from that point. I therefore reject increased taxes as a remedy for present evils. I have shown that retrenchment is not only possible without injury to the public service, but easy, necessary, and expedient. The policy of the Democratic party is to bring down the expenses to the revenue. By the misconduct of all parties, they have been carried beyond the just wants of the Government. It would be a public calamity instead of a public advantage to keep them there. Let us then retrench, substitute economy for waste and extravagance, leave honest toil to the enjoyment of its own fruits, and we will thus earn the blessings of labor and the confidence of the country.

I have been thinking of you very much lately, and wondering how you are getting on. I hope you are well and happy. I have been very busy lately, but I have managed to find some time to write to you. I have been thinking of you very much lately, and wondering how you are getting on. I hope you are well and happy. I have been very busy lately, but I have managed to find some time to write to you.